

The Special Council Meeting of September 29, 2015 was called to order at 6:30 p.m.

MAYOR

Ron Reinhard

OTHERS

Shannan Kinsley

Shane Reddout

Robert North

Robert McConnaughay

COUNCILMEMBERS

Lou Hoffman

Brenda Reinhard

Don Nettle

Freda Hoffman

Jennifer Nottingham

Susan Beavin

Mitch Thornton

Margaret Martin

Lynn Tiner

Pat Tiner

Don Reddout

Mayor Reinhard declared a quorum with all Councilmember's present.

SPECIAL COUNCIL MEETING

1. DISCUSS AND ACT ON INTERLOCAL AGREEMENT FOR FIRE PROTECTION AND EMERGENCY SERVICES BETWEEN THE CITY OF GREY FOREST, TEXAS AND BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 8

Mayor Reinhard stated this item is carried over from the last Council Meeting. The Agenda has Council convening into a Closed Meeting. Mayor Reinhard stated there will not be a Closed Meeting but he'd like to give a little background on why it was placed on the Agenda. Over the weekend, Emergency Services District (ESD) No. 8 floated the idea of would the City consider selling them the property. Mayor Reinhard advised he didn't think the City would be interested in selling the property but this would need to be a Council decision. Typically, when selling property, you can deliberate in Closed Session to negotiate the purchase, exchange and value. In Closed Sessions, Council can deliberate but a decision can't be made. Since there's no third party involved, a Closed Meeting doesn't really apply to this situation. Mayor Reinhard stated needing to act quickly, this item was placed on the Agenda so that Council could deliberate in either Open or Closed Session, whichever applied. Therefore, the meeting will continue as an Open Meeting. Mayor Reinhard stated as most everyone knows, the Grey Forest Area Volunteer Fire Department (GFAVFD) will be merging with ESD No. 8. The GFAVFD is independent of the City; however the City contracts with them for Fire Protection and Emergency Services. This has put the City in the position of needing to find other options to provide Fire Protection and Emergency Services for our citizens. As such, he's been working with ESD No. 8 along with both entities attorneys to come up with an Interlocal Agreement for Fire Protection and Emergency Services. Mayor Reinhard stated it's his understanding ESD No. 8 will take over on October 1ST. Pat Tiner, GFAVFD Board President stated the agreement between GFAVFD and ESD No. 8 is with their attorney. Therefore, she can't say it will be October 1ST. They are waiting to hear back from him. Mayor Reinhard stated it's his understanding that ultimately the GFAVFD will become an ESD No. 8 Fire Department. This means the City needs to provide Fire Protection and Emergency Services for our citizens. At this time, an Interlocal Agreement with ESD No. 8 is the best option. There could be other options but none are as attractive and ESD No. 8 has expressed a commitment to stay across the street. Mayor Reinhard stated Council's been provided an Interlocal Agreement for Fire Protection and Emergency Services between the City of Grey Forest and Bexar County ESD No. 8. Our City Attorney has reviewed it paragraph by paragraph. He's been in contact with Ken Campbell, Attorney for ESD No. 8. They've worked out all the issues. Our City Attorney has advised from the City perspective, it's a good agreement. There was lengthy discussion on Section VI, Equipment and Personal Property. It states the City shall remain responsible for equipment. Mayor Reinhard stated he recommended that statement be removed. Both attorneys agreed it has no impact. Since the City doesn't own any equipment, it doesn't apply. Our City Attorney advised the City is protected. It was agreed to keep Section VI as it is. Mayor Reinhard reviewed Section 5, Obligations of the City. The City will pay for the Territorial Limits of the City at the current Ad Valorem Tax Rate of the District, said rate now being \$0.10 per \$100.00 of taxable value times 100% of the Certified Taxable Value; plus \$0.10 per \$100.00 of taxable value times 80% of the Taxable Value Under Review. In the initial term, \$8,000.00 will be paid for the transition of services. Payments will be paid quarterly. The True-Up Provision provides that within sixty

days following the close of each fiscal year, payments made by the City to the District during that year will be adjusted to reflect adjustments to the Total Taxable Value by Bexar Appraisal District during the year so that the district is paid at least \$0.10 per 100.00 taxable value on the Total Taxable Value. Pass-Through of Designated Funds states funds collected by the City above the compensation rates delineated in the Agreement shall be passed through to the District on a pro-rated basis within sixty days of the end of the City's fiscal year. There was lengthy discussion on the financial requirements under Section 5, Obligations of the City. There was discussion that the Fire Department contract spells out the date's payments are due. It was agreed not to put in payment dates. If you put dates in, the Agreement has to be changed each year. The Agreement auto renews each year. As long as there are no issues, it will renew year to year. Page 5, Liability, four lines from the bottom, "it" should be "its". There was discussion on Page 5, Liability and who is being held harmless from liability. Council agreed the District is being held harmless and that section would be kept as it is. Section XI, Dispute Resolution was discussed. If a dispute arises, Mediation would be the first step. If Mediation doesn't work, the next step would be Arbitration. It was questioned that under Section XII, Miscellaneous Provisions, No Other Relationship, second line, should the wording "and of" be removed. It was agreed that's a legalese and will remain as it is. Page 8, Assignment, last line "it" should be "its". Mayor Reinhard stated the Interlocal Agreement will be in place on October 1, 2015. The motion to accept the Interlocal Agreement for Fire Protection and Emergency Services between the City of Grey Forest, Texas and Bexar County Emergency Services District No. 8 as amended for the two grammatical errors was made by Councilmember Thornton, seconded by Councilmember Hoffman and passed unanimously. Mayor Reinhard stated he will sign the Interlocal Agreement this evening so Gil Perez, ESD No. 8 Administrator can present it at the ESD No. 8 Board Meeting tomorrow.

2. CONSIDER AND ACT ON CONSIDERING SALE OF PROPERTY BY THE CITY OF GREY FOREST, TEXAS TO THE BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 8

Mayor Reinhard stated the Interlocal Agreement for Fire Protection and Emergency Services states the City shall lease or provide ESD No. 8 its station located at 18515 Scenic Loop Road to operate. After the Council Meeting last week, Gil Perez, ESD No. 8 Administrator asked him if the City would be interested in selling the property. He advised probably not, but it's something Council should discuss and decide if they want to consider. Mayor Reinhard stated if Council isn't interested in selling the property, Council can talk about the Lease Agreement which is the other option. Councilmember Hoffman stated he wouldn't rule out selling the property. It's something that needs to be considered. One of the concerns he has heard from citizens is that ESD No. 8 might move. If they purchase the land, it shows commitment and removes the maintenance issues on the building. He would want Right of First Refusal and isn't sure what value you would assign. Mayor Reinhard stated when selling property, the statute states municipalities have to sell at Fair Market Value. According to our City Attorney, there's not a way to put in Right of First Refusal being that ESD No. 8 is a government entity. It puts the same restrictions on them and they must sell it back at Fair Market Value. There's no guarantee the City would get the property back. Councilmember Nettle asked why ESD No. 8 wants to buy the property instead of leasing it. Gil Perez stated it's still the issue of ownership. They would like to improve the facilities and that's an investment. It was a possible solution to some of the issues regarding repairs, improvements and ownership. Councilmember Tiner stated a lease is better for the City all the way around. Councilmember Thornton stated he's not interested in selling the property. Councilmember Nottingham stated she thinks a lease is the way to go at this time. The Lease Agreement has a provision that we may negotiate the sale, purchase or transfer of any improvements to the premises. Sale of the property could be researched at a later date if the City was ever interested. Mayor Reinhard stated it sounds like Council is not interested in selling the property at this time and asked if there was a motion to consider selling the property to ESD No. 8. There was no motion.

3. DISCUSS AND ACT ON LEASE AGREEMENT BETWEEN THE CITY OF GREY FOREST, TEXAS AND BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 8

Mayor Reinhard stated Council has determined not to consider sale of the property to ESD No. 8. The Interlocal Agreement states the City shall lease or provide its station for use. This leaves the City the option to lease the property to ESD No. 8. We want them to stay and serve the City as long as possible. Mayor Reinhard stated he would like to review the Lease Agreement with Council to make sure they are all in agreement. Our City Attorney has asked that

Council not act on it this evening as he would like to further review. The Lease Agreement was reviewed in detail. Paragraph 2, Term; Councilmember Thornton stated the Interlocal Agreement is year to year. Why would we enter into a 99 year lease. The Lease Agreement should follow the Interlocal Agreement. Mayor Reinhard stated as it stands now, the City is under a year to year contract with the Grey Forest Area Volunteer Fire Department (GFVAFD) and their lease is for 15 years. ESD No. 8 wants to express their commitment. There was discussion that there's the option to renegotiate the Lease Agreement at a later date if both parties agree. Gil Perez, ESD No. 8 Administrator stated they plan to make improvements and need a long term commitment for financing. Since they don't own the land, financial institutions are going to require a long term commitment to make sure they're covered. Gil Perez stated they are asking the City to commit to a 99 year lease. In return, they're committing to improvements and a long term relationship. Mayor Reinhard stated Paragraph 3, Rent; was originally \$1.00 per year. He increased it to \$100.00. He stated you want to keep the rent as low as possible. The rent could possibly be considered an investment in the property and goes back to ownership. Council agreed to Rent of \$100.00 per year. Paragraph 4, Improvement; premises will be "AS IS" and "WHERE IS". Paragraph 5, Utilities, Routine Maintenance and Repair, Subparagraph 5.2, Capital Maintenance; last sentence of the paragraph, it states "Lessor shall be solely responsible for the cost of capital maintenance, replacement and/or repair". There is a question between parties if that should be Lessor or Lessee as the City will not be paying Capital Maintenance. Mayor Reinhard stated he will ask our City Attorney. Paragraph 6, Use and Title; provider will use the premises to provide emergency services to the residents of Bexar County ESD No. 8 and/or the City of Grey Forest. Paragraph 9, Insurance; Council agreed the City should insure the structure. ESD No. 8 will insure the contents. There were minor grammatical corrections noted. Mayor Reinhard stated we are not acting on the Lease Agreement this evening. He stated with the exception of the question on Paragraph 5, Subparagh 5.2 regarding Capital Maintenance, overall Council seems to be in agreement with the Lease Agreement. Mayor Reinhard stated he wants to make sure this is done right. The GFAVFD still exists. As long as they continue to exist, the City has an existing lease with them which gives us time to continue to work on this and do it right. Mayor Reinhard stated he will continue to work with Gil Perez and both entities attorneys. He hopes to bring a final draft back in October.

4. DISCUSS AND ACT ON AN ORDINANCE MANIFESTING AN AGREEMENT BETWEEN THE CITY OF GREY FOREST AND THE GFAVFD TO PROVIDE FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES

Mayor Reinhard stated Ordinance No. 210 is an Agreement between the City of Grey Forest and the Grey Forest Area Volunteer Fire Department (GFAVFD) to provide Fire Protection and Emergency Medical Services for the City. The ordinance automatically renews under Paragraph 8 at the end of each fiscal year unless it's modified by written agreement or terminated. Either party may cancel the agreement by giving 90 days written notice. Now that the City will be contracting with ESD No. 8 for these same services effective October 1st, the cleanest way to end this contract is both parties agree to terminate without giving the 90 day notice. The GFAVFD Board has agreed to waive the required 90 days notice. Mayor Reinhard stated our City Attorney has drawn up a Letter Agreement Regarding Waiver of Notice of Termination. The agreement states the City and GFAVFD mutually waive the 90 day notice provision of the Agreement because of the pending transition of fire and emergency services with Bexar County ESD No. 8. The Agreement shall terminate effective October 1, 2015. The motion to authorize the Mayor to sign the Letter Agreement By and Between the City of Grey Forest and the Grey Forest Area Volunteer Fire Department Regarding Waiver of Notice of Termination was made by Councilmember Nettle, seconded by Councilmember Hoffman and passed unanimously. Mayor Reinhard stated he will sign the agreement this evening.

Mayor Reinhard called a recess at 8:14 p.m. The Special Council Meeting reconvened at 8:33 p.m.

5. DISCUSS AND ACT ON CURRENT STATUS OF CITY AND SLPC PROPOSALS RELATED TO SLPC PROPERTY

Mayor Reinhard stated our City Attorney advised the transfer of property can be done with a Special Warranty Deed. Our City Attorney feels the proper way to handle the transfer is to have the property surveyed and know exactly what it includes but if a Special Warranty Deed is how the City wants to handle it, then he's willing to do it. The Special

Warranty Deed was reviewed in detail. Mayor Reinhard stated SLPC sent out a City of Grey Forest – Scenic Loop Playground Club Concepts of Agreement to membership. The Concepts of Agreement has language that states “The failure of the City of Grey Forest to meet these conditions shall result in an immediate reversion of the park property to the members of SLPC or its successors and/or assigns”. Mayor Reinhard stated his concern about language like this is what constitutes a failure, who’s the decision maker of a failure and what does immediate reversion mean. He spoke with our City Attorney and he agreed the statement is not in the best interest of the City. Mayor Reinhard stated he wants SLPC Membership to know specifically what they’re voting on so he asked our City Attorney to draw up the Special Warranty Deed. He wants to be able to present the Special Warranty Deed to the SLPC Board so they can distribute to membership and actually see the document that would be signed. Mayor Reinhard stated in the Special Warranty Deed, the reversion language has been reworded as “Any such reversion shall occur only after the filing of an action for reversion and entry of a judgment of reversion in a court of law. Jurisdiction and venue for any such lawsuit shall lie in Bexar County, Texas”. The diversion language and procedure for filing of an action for reversion was discussed. Mayor Reinhard stated he will discuss this with the City Attorney to make sure the City is covered and the language is appropriate. Mayor Reinhard stated upon the City Attorney approving the language, he would like to know if Council approves the Special Warranty Deed being passed on to the SLPC Board. Councilmember Thornton made the motion that upon advice and satisfaction by the City Attorney of all language in the Special Warranty Deed, Mayor Reinhard can pass on the Special Warranty Deed to the SLPC Board for consideration. The motion was seconded by Councilmember Nottingham and passed unanimously.

There was no further discussion. Mayor Reinhard adjourned the Special Council Meeting at 9:34 p.m.

These minutes were written/recorded by Shawwan Kinsey.

These minutes were approved as written/amended on the 24th day of November, 2015.

Signed: 
Ronald G. Reinhard, Mayor